

**Question 191:** **Reference:** Section L.32(14) (Page 77 of 82) states: "Personnel costs should include direct labor costs and any overhead, which has only direct labor as its base, plus the concern's general and administrative rate multiplied by the labor costs divided by total personnel cost". **Question:** In this context, what is the definition of the word "overhead"? Please provide an example of how to calculate personnel costs with "only direct labor as its base, plus the concern's general and administrative rate multiplied by the labor costs divided by total personnel cost".

**Answer:** The requirements stated in Section L.32(14) is the requirement contained in the Small Business Administration Regulation for Government Contracting Programs regarding the limitations on subcontracting requirements contained in contracts set-aside for small businesses. Specifically, 13 Code of Federal Regulations (CFR) 125.6 Prime Contractor performance requirements, paragraph (2) states that "Cost of contract performance incurred for personnel [is defined as] Direct labor costs and any overhead which has only direct labor as its base, plus the concern's General and Administrative rate multiplied by the labor cost."

Overhead in this context would include any indirect expenses that are incurred for the benefit of more than one final cost objective and which has only direct labor as its allocation base. Refer to FAR 31.202 Direct costs and FAR 31.203 Indirect costs for further details regarding the distinction between direct and indirect costs. A simplified example is given for mathematical purposes. The actual allocation and percentages and dollars will depend upon the individual company.

Example of Calculation of Cost of contract performance incurred for personnel:

<u>Cost Element</u>	<u>Offeror</u>	<u>Subcontract</u>	<u>Total</u>
Direct Labor	\$100	\$50	\$150
Fringe Benefits @40%	\$ 40	\$20	\$ 60
Direct Labor Overhead @ 50%	\$ 50	\$25	\$ 75
Subtotal	\$190	\$95	\$285
G&A @10%	\$ 19	\$ 9.5	\$ 28.5
Total Personnel Costs	\$209	\$104.5	\$313.5
Percentage of Total Personnel Costs	66.7%	33.3%	100.0%

In this example and for purposes of illustration only, the Offeror's and Subcontractor's fringe benefit, direct labor overhead and G&A rates were assumed to be the same.

**Question 192:** Section L, Attachment L-3, Figures 8 Can you provide a version of the document in which smaller Area numbers are readable. Where is Area 6?

**Answer:** Section L.31(2) Criterion 2 – Technical and Management Approach (Sample Task) and Attachment L-3, Figure 8. Area 6 is in the upper right-hand side of Figure 8 in Section L, Attachment L-3, above the upper right-hand letters designating "Area 4". Area 6 will be clearly labeled on Figure 8. The solicitation will be amended.

**Question 193:** Can you provide room numbers for the materials fabrication area, "Hot Machine Shop", and the Electron Beam Laboratory (EBL)

**Answer:** Section L.31(2) Criterion 2 – Technical and Management Approach (Sample Task) and Attachment L-3. The materials fabrication area includes the Electron Beam Laboratory (EBL) (Rooms F-117, F-117A, F-118, and F-188A) and the former "Hot Machine Shop", also referred to as General Purpose Shop (Room F-109).

**Question 194:** Please confirm the groundwater cleanup objective for Chloroform (.02 µg/L) shown in Attachment L-3, Table 5. Neither the State of Illinois nor Federal water quality standards list Chloroform and this cleanup objective.”

**Answer:** See answer to Question 186.

**Question 195:** If the groundwater strategy implementation requested includes the design and construction of the selected remedy, can you please provide a complete list of deliverables for groundwater, including the ROD, the Design documents, the Completion Report or any other applicable deliverables. What step in the CERCLA process is the final deliverables for groundwater area (is it up to CR)?

**Answer:** See answers to Questions 129 and 139.

**Question 196:** Since remedy selection is performed by completing the CERCLA process, but we need to cost an approach in the proposal for the sample task, does DOE want bidders to make assumptions and select a remedy strategy to be able to cost its design, construction and operation or are we only to define the process we would follow to determine the strategy?

**Answer:** See answer to Question 129

**Question 197:** Since the process for addressing contamination in Area A is defined as the CERCLA process, is the offeror responsible to prepare CERCLA deliverables such as the Remedial Design Work Plan, Remedial Design Report, and other associated documents as part of the groundwater strategy?

**Answer:** See answer to question 139.

**Question 198:** In order to develop the sequence and schedule for ROD support for the contaminated soil and groundwater scope, it will be necessary to know when DOE intends to submit the ROD to regulatory agencies. Please provide the expected timing of the ROD submittal and approval.

**Answer:** See answer to Question 166.

**Question 199: Reference:** Section L.32(14) (Page 77 of 82) states: “The offeror shall provide a chart breaking out the personnel costs by each concern”. **Question:** What is the format of the personnel “chart”?

**Answer:** Section L.32 (14). Any type of chart will suffice to depict the proportional relationship of personnel costs for each concern; however, for each entity the offeror shall provide the FTEs and personnel costs as defined in 13 CFR 125.6 and Section L.32(14). The offeror may also include percentages, but the Department will calculate the percentages also. The numbers and amounts provided in the charts should be consistent with the cost information provided in Attachment L-5, L-6 and other information provided in the offeror’s technical and cost proposal.

**Question 200:** Section L.32(4a, pg. 74) states: “Use of the government provided WBS structure presented in Schedule 4 of the Cost Templates is mandatory.” Please confirm activities consistent with our technical approach and Attachment L-3 scope/assumptions can be planned at additional lower-level WBS elements not identified in Schedule 4, provided all cost is summarized by the Schedule 4 WBS.

**Answer:** See answer to Question 177.

**Question 201:** The instructions for Attachment L-5, Cost Templates specify inclusion of cost information such as fringe benefits, overheads, indirects, and general and administrative costs that require disclosure of proprietary information. In a teaming configuration, DOE past practice (and some current procurements) allow for separate sealed submittal of proprietary information.

- a) The instructions for Attachment L-5 Schedules 1, 2 and 3 state “A separate set of worksheets is required for each major or critical subcontractor...” Is it acceptable for each major/critical subcontractor to provide their separate set of Schedule 1, 2, and 3 cost worksheets in sealed envelopes directly to the CO with the proposal?

**Answer:** It is acceptable for each major or critical subcontractor or any other subcontractor with proposed work equal to or greater than \$500,000 over the period of performance, to provide their separate set of Schedule 1, 2, and 3 cost worksheets in sealed envelopes directly to the CO with the proposal. Submissions from major or critical subcontractors or any other subcontractor with proposed work equal to or greater than \$500,000 over the period of performance are required to be submitted by the date and time in Section L.29(b). The solicitation will be amended to clarify.

- b) The instructions for Attachment L-5 Schedule 4 state: “The amounts on this spreadsheet include the amounts for the offeror and major or critical subcontractors or if a joint venture or newly formed entity, all members, or any other subcontractor (the amounts do not need to be separately identified).” Is it acceptable to include the total cost for major/critical subcontractors in the “ODC” column? Should labor hours for major/critical subcontractors be included in the “Labor hours” column?

**Answer:** For Attachment L-5 Schedule 4, the Example of the Resulting Spreadsheet provided was not meant to be all-inclusive with respect to the cost elements identified and the associated costs summed from the Schedule 5 worksheets. Additional columns shall be added for cost elements not shown, such as for Material Handling, G&A, Subcontract Cost (under \$500,000), Joint Venture/LLC Member/Subcontract (Equal or > \$500,000) or Major or Critical Subcontractor, etc., depending on the cost elements included in the Offeror’s proposal. Labor hours for any Joint Venture/LLC Member, and any Subcontractors, including major or critical subcontractors, shall be included in the “Labor Hours” column.

- c) The instructions for Attachment L-5 Schedule 5 state: “On this schedule, major or critical subcontractors...can be provided on the same sheet as the offeror’s costs. However, separate sections of the spreadsheet shall be used for the subcontractors to provide traceability.” And “Must expand each major or critical subcontractor...” Is it acceptable to include only direct labor categories, direct labor hours, and total cost for each major/critical subcontractor by WBS by Fiscal Year on the offeror’s Schedule 5 provided each major/critical subcontractor provides separate Schedule 5 detailed cost element information in sealed envelopes with the proposal?

**Answer:** It is acceptable to include only direct labor categories, direct labor hours, and total cost for each major or critical subcontractor or any other subcontractor with proposed work equal to or greater than \$500,000 over the period of performance by WBS by Fiscal Year on the offeror’s Schedule 5 provided each major or critical subcontractor or any other subcontractor with proposed work equal to or greater than \$500,000 over the period of performance provides separate Schedule 5 detailed cost element information in sealed envelopes with the proposal. The instructions for Schedule 5 included in the Table of Contents and on the Schedule 5 worksheet of the Attachment L-5 Excel workbook will be modified to state that the offeror may provide the detailed cost element information requested for major or critical subcontractors or, if a joint venture or newly formed entity, all members, or any other subcontractor with proposed work equal to or

greater than \$500,000 over the period of performance, on the offeror's Schedule 5 cost worksheets using fully burdened direct labor rates and fully burdened non-labor unit rates that were used to develop the proposed costs for the respective entities. The solicitation will be amended.

**Question 202:** To satisfy the requirements of providing costs (Direct Labor, Fringe Benefits, Direct Labor Overhead, Materials, Material Handling Overhead (if applicable) and Equipment) for each major subcontractor for each WBS by each fiscal year required by Section L Attachment L-5 Schedule 5, can each major subcontractor submit its own Schedule 5 detailing those costs in a sealed envelope to protect business sensitive information and can the offeror list each major subcontractor as a single line on its Schedule 5 as a rollout cost for each major subcontractor.

**Answer:** See answer to Question 201.

**Question 203:** Consistent with current DOE practice, and given the proprietary nature of the requested information included in the Attachment L-5 Schedules, if sealed submittals are approved to be submitted by Major or Critical subcontractors and the Offeror includes only fully burdened direct labor rate and fully burdened non-labor unit rate information to develop the sheets associated with Attachment L-5 Schedule 1, 2, 3, 4, and 5, will each major or critical subcontractor be required only to explain the Direct Labor Overhead, Fringe Benefits, Materials Overhead, and G&A rate included in their burdened rates, or will the Attachment L-5 Schedules have to be prepared by each major or critical subcontractor to identify their proposed cost for Direct Labor Overhead, Fringe Benefits, Materials Overhead, and G&A on each Attachment L-5 Cost Schedule in addition to providing a narrative explanation of how these rates are derived?

**Answer:** See answer to Question 201.

**Question 204:** Reference RFP Section L32 (13) c. Since privately-held companies are not required to issue Annual Reports, some firms may not have these. Please confirm that submission of Financial Statements for the past 3 years (*audited and with notes as applicable*) will be considered fully responsive to the proposal requirement of L32 (13).

**Answer:** For privately held companies not having Annual Reports, submission of Financial Statements for the past 3 years (*audited and with notes as applicable*) are acceptable in accordance with L.32 (13). The solicitation will be amended.

**Question 205:** The instructions included on Attachment L-5, Schedule 4 state "Note when using this spreadsheet the offeror shall use formulas to sum costs from cost elements in Schedule 5". The cost element columns provided in Attachment L-5, Schedule 4 do not match the cost element rows included in Attachment L-5, Schedule 5. Due to this mismatch, please clarify the following:

- a) Does the Attachment L-5, Schedule 4 column "Equipment/Materials/Supplies" include "Material Handling Overhead"?

**Answer:** A separate column shall be added on Schedule 4 for costs for Material Handling. The solicitation will be amended. See Answer to Question 201(b).

- b) Does the Attachment L-5, Schedule 4 column "Other Indirects" include G&A, or should a separate column be added for G&A, or can G&A be applied to each cost element?

**Answer:** See Answer to Question 201(b).

DE-SOL-0000524  
Questions & Answers 191-205  
Posted 9/24/2009 (Set 3)

- c) Should additional cost elements itemized on Attachment L-5, Schedule 5 (e.g. Subcontracts <\$500K) be included in the "ODCs" column on Attachment L-5, Schedule 4, or should additional columns be added to Attachment L-5, Schedule 4 for each additional itemized cost element?

**Answer:** See Answer to Question 201(b).

- d) Should rows be added to Attachment L-5, Schedule 5 for "Treatment", "Transportation", and "Disposal" to be consistent with the rows included on Schedule 1? If so, should additional columns be added to Attachment L-5, Schedule 4 for each of these additional cost elements, or should the cost be included in the "ODCs" column?

**Answer:** See answer to Question 169.